

**COMMUNICATION**

**to the European Parliament, the Council and the European Commission**

**pursuant to Article 23f (4) of the Austrian Constitution**

**from the Standing Sub-Committee on European Union Affairs**

**of the Main Committee of the National Council**

**of 4 May 2021**

**COM (2020) 682 final**

**Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union**

Improving living conditions and social cohesion in all Member States of the European Union is a matter of importance to the members of the Austrian National Council and the Federal Government. They advocate fairness on the EU labour market as well as efforts to increase productivity and to achieve faster economic and social progress.

In order to guarantee fair competition and to protect the economy and the social security systems in Austria, the members of the National Council consider it essential that all other Member States of the European Union also take effective measures against wage and social dumping, adopt a firm stance against extremely low wages and exploitation, eliminate loopholes and close existing gaps.

This is crucial if we want to achieve not only the Sustainable Development Goals defined by the United Nations within the framework of the Agenda 2030 for Sustainable Development, but also the binding targets set through the European Pillar of Social Rights.

According to the draft directive COM (2020) 682 tabled by the European Commission, the Member States are to choose the most appropriate instruments and systems. The members of the National Council wish to draw attention to Austria's success in protecting workers from exploitation through the establishment of a comprehensive system of collective bargaining agreements as a particularly effective means of ensuring fair and living minimum wages.

Any measures relating to minimum wages at EU level must respect the autonomy of the

social partners and be in conformity with the principle of subsidiarity and the division of competences as laid down in the Treaties.

Austria has a functioning system of wage negotiations by collective bargaining, which comprises the determination of (sector-specific) minimum wages. Closing any gaps in this system, which applies to 98% of all employment relationships and benefits the workers covered, is a target laid down in the government programme.